

# CAPITALAND INVESTMENT 2030 SUSTAINABILITY MASTER PLAN



# CAPITALAND INVESTMENT: A CLOSER LOOK

The world constantly undergoes significant transformations at unprecedented speed and scale. Global events like pandemics and conflicts have highlighted our interconnectedness and the crucial link between sustainability issues, the economy, and both human and planetary health.

**Capitaland Investment (CLI)** is a leading global Real Estate Investment Manager (REIM) headquartered and listed in Singapore, with a strong presence in Asia. Our diverse portfolio comprises retail, office, lodging, business parks, industrial, logistics, and data centres across more than **220 cities** in over **40 countries**.

At CLI, sustainability is at the heart of everything we do. We are dedicated to creating long-term economic value for our stakeholders while contributing to the environmental and social well-being of the communities where we operate.

We are committed to achieving **Net Zero carbon emissions** for scope 1 and 2 by 2050, as part of our wider sustainability targets, which include accelerating our transition to a low-carbon business, improving water conservation and resilience, and promoting a circular economy.

Read Bridge, Singapore



## Case Study CQ @ Clarke Quay, Singapore

This iconic dining and lifestyle destination situated along Singapore's picturesque riverfront started its asset enhancement initiative in 2022. A significant portion of total project cost was dedicated to green features, including installation of a more energy-efficient chiller and a new ethylene tetrafluoroethylene canopy to enhance the daytime thermal comfort of the inner streets.

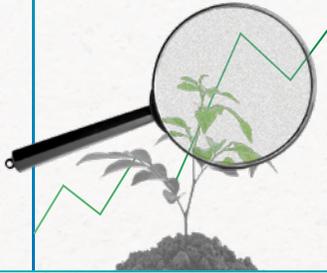
## 2000

CapitaLand started environmental and philanthropic activities reporting



## 2006

CapitaLand Green Committee formed, which spearheaded Groupwide initiatives globally and established environment and social key performance indicators



## 2010

First Singapore listed company to publish a Global Sustainability Report (GSR) (FY 2009) referencing **Global Reporting Initiative (GRI)**



## 2011

External assurance of annual GSR (FY 2010)

## 2013

External assurance elevated to **AA1000 Assurance Standard**

## 2015

Became signatory to **United Nations Global Compact**

## 2017

Voluntarily aligned to **Task Force on Climate-Related Financial Disclosures (TCFD)**, providing disclosures of 4 TCFD pillars in GSR (FY 2016)



# A SUSTAINABILITY EARLY MOVER

*Over 20 years from the formation of CapitaLand and counting*

## 2023

CLI became signatory to **Principles for Responsible Investment (PRI)**

Refreshed **CLI 2030 SMP**

Signed the **Institute of Limited Partners Association (ILPA) Diversity in Action initiative**

## 2022

CLI committed to **Net Zero by 2050**

Held 2<sup>nd</sup> edition, **CSXC 2022** - 10 innovations chosen for piloting at selected CapitaLand properties



## 2021

Implemented **internal carbon price**

**CSXC** - Piloted 6 selected innovations at CapitaLand properties

Launched **S\$50 million CapitaLand Innovation Fund** for sustainability and other high-tech solutions

## 2020

Launched **CapitaLand 2030 Sustainability Master Plan**

Launched **CapitaLand Sustainability X Challenge (CSXC)** - 1<sup>st</sup> global sustainability innovation platform by a Singapore real estate company

**Science-based targets** approved

Integrated the **Environment, Health and Safety Impact Assessment** for all new investments

## 2019

Appointed as member of **ASEAN GRI Consortium**

Pledged support for **TCFD**



## 2018

Obtained 1<sup>st</sup> and largest sustainability-linked loan in Asia



# OUR 2030 SUSTAINABILITY MASTER PLAN

## CapitaLand Investment 2030 Sustainability Master Plan

serves as a strategic blueprint, outlining our ambitious goals and directing our sustainability efforts towards a shared purpose. Since it was unveiled in 2020, the Master Plan has been reviewed and fine-tuned to reflect the evolving sustainability and business landscape. We strive to build a resilient and resource-efficient real estate portfolio, enable thriving and future-adaptive communities, and steward responsible business conduct and governance. We have set ambitious environmental, social and governance (ESG) targets, including carbon emissions reduction targets that have been validated by the Science Based Targets initiative (SBTi).

We have made significant progress and remain on track to achieve our ambitious 2030 Sustainability Master Plan targets. We will continue to review our plan to ensure they remain relevant to the evolving environment and CLI's business.



### Case Study Our Business Parks in India

Continuous asset enhancement initiatives have elevated green building certifications of six buildings across four business parks, with a total gross floor area (GFA) of 243,730 sqm, to the highest rating in 2022. Buildings in International Tech Park Bangalore (ITPB) and International Tech Park Chennai (ITPC) received IGBC O&M Platinum, while buildings in Aurum Q Parc and International Tech Park Hyderabad (ITPH) received USGBC LEED O&M Platinum.



**1,245,000 kWh/year**  
of energy savings



**24,000 m<sup>3</sup>/year**  
of water savings



**100%**  
of waste water treated  
on-site via sewage  
treatment plants

In ITPB, a first of its kind, fully automatic waste segregator called "Trash Bot" generates value from unsegregated waste by segregating it into biodegradable and non-biodegradable for recycling. Biodegradable waste is further processed in an organic waste converter into compost for landscaping while non-biodegradable waste is collected by external certified vendors and recycled.

# OUR SUSTAINABILITY APPROACH

Our 2030 Sustainability Master Plan is built around three key themes:

<p><b>BUILD</b> Portfolio Resilience and Resource Efficiency</p> 	<p><b>ENABLE</b> Thriving and Future-Adaptive Communities</p> 	<p><b>STEWARD</b> Responsible Business Conduct and Governance</p> 
<p>We will build resilience throughout our operations and future-proof our real estate portfolio to guard against climate change risks and to avoid premature obsolescence. We are also committed to reducing the use of energy and water as well as the generation of waste.</p>	<p>We understand our potential to drive and facilitate positive change. By providing support to communities, we aim to motivate all participants in our ecosystem to unite and tackle shared challenges.</p>	<p>Responsible business conduct and governance are essential for building a sustainable and trustworthy organisation. By implementing sound policies and business practices, we can ensure we operate ethically and responsibly, while also creating value for our shareholders, including staff, investors, customers, business partners, supply chain partners and contractors, the community, and local authorities.</p>



## SUSTAINABLE DEVELOPMENT GOALS

We value global collective action and adhere to international standards like the United Nations Sustainable Development Goals (UN SDGs). These 17 goals are crucial for a sustainable future, and we are focusing on the eight that align most with our 2030 Sustainability Master Plan to make the greatest positive impact.

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 



### Low Carbon Transition

We are committed to achieve Net Zero emissions by 2050 for scope 1 and 2 greenhouse gas (GHG) emissions. Targets to reduce absolute scope 1 and 2 GHG emissions are validated by the SBTi to limit global warming to 1.5 degrees Celsius as per the goals of the Paris Agreement.



### Water Conservation and Resilience

We will implement innovative technologies and practices to reduce water consumption and use water efficiently. We will also proactively guard against flood risks by engaging in risk-informed planning and structural flood protection.



### Waste Management and Circular Economy

We will improve our resource use and reduce waste generated at all stages of property development and management, while striving to enable a circular economy.



#### Objectives



#### Targets

- Achieve Net Zero emissions by 2050 for scope 1 and 2
- Reduce absolute scope 1 and 2 greenhouse gas emissions by **46%**<sup>1</sup>
- Reduce carbon emissions intensity by **72%**<sup>1</sup>
- Reduce energy consumption intensity by **15%**<sup>1</sup>
- Achieve **45%** of electricity consumption from renewable sources
- Work towards setting new scope 3 carbon emissions reduction target

- Reduce water consumption intensity in our day-to-day operations by **15%**<sup>1</sup>

- Reduce waste intensity in our day-to-day operations by **20%**<sup>1</sup>
- Achieve **25%** recycling rate in our day-to-day operations



<sup>1</sup> Using 2019 as the base year



## Pathways



Integrate sustainability in the entire real estate life cycle. In particular, factoring Environment Health & Safety impact assessments and Internal Carbon Price in investment process.



Source climate-technology solutions through the global CSXC for piloting and adoption throughout the portfolio.

Use data analytics and digitalisation to track and analyse trends in environment parameters and use the insights for portfolio optimisation.



Strengthen innovation and collaboration by tapping on S\$50 million CapitaLand Innovation Fund, to drive sustainability by sourcing globally and within CLI for new ideas and technologies to meet our bold sustainability ambitions.

Work with partners to create shared values that benefit the wider real estate community through partnerships and mentorships.



Raise capital through sustainable finance instruments by embracing sustainable finance initiatives that demonstrate our sustainability leadership. Interest rate savings can be channelled back into our decarbonisation efforts.

### Case Study

## CapitaLand Sustainability X Challenge

Sustainable technology and innovations are key to our decarbonisation journey. Smart ideas can come from anywhere. So, we invite startups around the world to join our global fight against climate change.

Launched in 2020, **CapitaLand Sustainability X Challenge (CSXC)** is the first global sustainability-focused innovation challenge in the built environment by a Singapore real estate company. Through the challenge, CapitaLand aims to accelerate its progress to meet its 2030 Sustainability Master Plan targets, with decarbonisation and circularity as key pillars.





### Social Impact



#### Objectives

We make a positive impact by enriching lives and uplifting communities where we operate.



### Human Capital Development

We build and develop a diverse and dynamic workforce and talent pool who will enable the company to achieve its next phase of growth.



### Health and Wellness

Our buildings are designed for the well-being of our communities to live, work and play inclusively. We adopt a zero-tolerance policy on practices that compromise on the safety and well-being of staff, residents, shoppers, tenants and the public at all CLI properties.



### Customer and Supplier Partnerships

We can influence and enable actions that can spur positive change through thought leadership and advocacy with key stakeholder groups: employees, investors, customers, and communities to build awareness and collectively effect transformational change.



#### Targets

- Contribute to communities' social well-being through outreach initiatives by staff and CapitaLand Group's philanthropic arm, CapitaLand Hope Foundation (CHF)



- At least **40%** female representation in senior management
- CLI staff engagement score of at least **80%** (with at least 85% participation)
- At least **85%** CLI staff to attend one ESG training and be future-ready and productive employees through CLI Building Capability Framework

- Foster a positive and proactive safety culture with zero fatality, permanent disability or major injury across CLI and for contractors where applicable
- Thoughtful designs that incorporate a variety of social integration features in our properties to benefit the surrounding community
- Implement wellness-related initiatives and certifications for physical assets

- Introduce signing of green leases for new and renewal of leases, and work with tenants to improve their sustainability performance
- Achieve a high level of customer satisfaction
- Contractors and vendors to abide by CLI's Supply Chain Code of Conduct
- Zero tolerance to child labour/forced labour

*Note that the Enable and Steward targets are intended to reflect the organisation-wide goals set by CLI on a group basis, and are intended to be implemented subject to and taking into account (i) fair and equitable employment practices and principles under applicable laws and market practice and (ii) the business and operational needs of the company and the organisation, as applicable.*



## Pathways



CHF as a vehicle to amplify the social impact of our contribution to the communities by collaborating with ecosystem partners to support key underserved needs of children, youth and seniors through donations, volunteerism and thought leadership.



Build a culture of volunteerism among staff and leverage its ecosystem to rally customers and business partners to do good together.



Develop capability and build a culture of sustainability throughout the organisation. Empower staff with relevant knowledge and skillsets to make decisions that align with our sustainability goals.



Cultivate stakeholder engagement through thought leadership and advocacy, towards ensuring CapitaLand as a sustainable brand that cares for the environment and communities it serves.

### Case Study

## CapitaLand Hope Foundation

CapitaLand Hope Foundation, the philanthropic arm of CapitaLand Group, started the CapitaLand Hope School Programme in 2005, with 32 schools supported across China, India and Vietnam to date. Students are provided with conducive learning environments, to improve their access to education.

A beneficiary of the programme, Lan Xin (not her real name), studied at CapitaLand Jinzhu Hope School from 2007 to 2013. She continued to receive support from the CapitaLand Kids Programme, which provides financial support for academically gifted and underserved students under the CapitaLand Hope School Programme in their educational pursuits from Grade 4 to university, when she entered an e-commerce course in a Zhejiang university. As at 2022, 68 students from the programme are currently studying in local universities. Lan Xin is grateful for the support and shares her blessing with others by volunteering her time to teach children at a rural school.



CapitaLand's staff volunteers distributed schoolbags to the students at Hanhuang CapitaLand Hope School in Xuzhou, China under the signature CapitaLand 'My Schoolbag' Programme.



Objectives



Corporate Governance

We embrace the tenets of sound corporate governance including accountability, transparency and sustainability.



Transparent Reporting

We ensure that our data are externally assured through monitoring and reporting to instill confidence and trust in our stakeholders. We strive, where applicable, to align our policies and practices to regional and international standards, surveys or indices.



ESG Risk Management

We strive to have sound processes to identify, assess and manage our sustainability risks and opportunities.



Targets

- Ensure sustainability targets are integrated into CLI's Performance Share Plan and Balanced Scorecard framework to determine executive remuneration and Business Units' Key Performance Indicators (KPIs)
- At least **85%** CLI staff to attend one compliance related training

- Ensure reporting aligned to international standards e.g. TCFD and GRI with disciplined internal checks and external assurance of data by accredited bodies

- Ensure processes to identify, assess, and manage sustainability risks and opportunities in short-, medium-, and long-term are integrated into overall enterprise risk management processes
- Ensure sustainability risks and opportunities are managed in line with overall risk appetite and strategy

*Note that the Enable and Steward targets are intended to reflect the organisation-wide goals set by CLI on a group basis, and are intended to be implemented subject to and taking into account (i) fair and equitable employment practices and principles under applicable laws and market practice and (ii) the business and operational needs of the company and the organisation, as applicable.*





Pathways



Ensure robust ESG governance structure, where CLI's Board through its committees oversees sustainability strategy, and CLI's top management and business leaders own the execution on the ground through cross-team collaboration.



Monitor and report to ensure transparency of sustainability progress. Continue to validate performance by external assurance and align GSR to international standards and frameworks.



Integrate ESG into Balanced Scorecard Framework and sustainability targets embedded in policies, processes, best practices, and KPIs.



# CAPITALAND INVESTMENT 2030 SUSTAINABILITY MASTER PLAN TARGETS

## BUILD Portfolio Resilience and Resource Efficiency

### Low Carbon Transition

- Achieve Net Zero emissions by 2050 for scope 1 and 2 GHG emissions

• Reduce:

Absolute scope 1 & 2 GHG emissions by **46%**<sup>1</sup>

Carbon emissions intensity by **72%**<sup>1</sup>

Energy consumption intensity by **15%**<sup>1</sup>

- Achieve **45%** of electricity consumption from renewable sources
- Work towards setting new scope 3 carbon emissions reduction target

### Water Conservation and Resilience

Reduce water consumption intensity in our day-to-day operations by **15%**<sup>1</sup>

### Waste Management and Circular Economy



- Reduce waste intensity in our day-to-day operations by **20%**<sup>1</sup>
- Achieve **25%** recycling rate in our day-to-day operations

## ENABLE Thriving and Future-Adaptive Communities

### Social Impact

- Contribute to communities' social well-being through outreach initiatives by staff and CapitalLand Group's philanthropic arm, CHF

### Human Capital Development



Female representation in senior management



Staff engagement score<sup>2</sup>



Staff to attend one ESG training

### Health and Wellness

- Foster a safety culture with zero fatality, permanent disability, major injury
- Incorporate social integration design features in properties
- Implement wellness-related initiatives and certifications for physical assets

### Customer and Supplier Partnerships

- Green leases for new and renewal of leases, and work with tenants to improve their sustainability performance
- Achieve high level of customer satisfaction
- Contractors and vendors to abide by CLI's Supply Chain Code of Conduct
- Zero tolerance to child labour/forced labour

## STEWARD Responsible Business Conduct and Governance

### Corporate Governance

- Ensure sustainability targets are integrated into CLI's Performance Share Plan and Balanced Scorecard framework to determine executive remuneration and KPIs

- At least **85%** CLI staff attend one compliance related training

### Transparent Reporting

- ESG reporting aligned and externally assured to international standards

### ESG Risk Management

- Identify, assess, and manage sustainability risks and opportunities
- Ensure sustainability risks and opportunities are managed in line with overall risk appetite and strategy

*Note that the Enable and Steward targets are intended to reflect the organisation-wide goals set by CLI on a group basis, and are intended to be implemented subject to and taking into account (i) fair and equitable employment practices and principles under applicable laws and market practice and (ii) the business and operational needs of the company and the organisation, as applicable.*

<sup>1</sup> Using 2019 as the base year

<sup>2</sup> With at least 85% participation

# THE JOURNEY TO A SUSTAINABLE FUTURE

At CLI, we are committed to our cause on sustainability, and it is integral to all aspects of our business and investments. Our commitment to achieving Net Zero for our scope 1 and 2 emissions by 2050 is a cornerstone of our efforts. We are fully committed to creating economic value for all our stakeholders, whilst also striving to contribute positively to the environmental and social well-being for generations to come. As such, these are the tenets that will guide us on the journey to a sustainable future:

## THERE IS NO SILVER BULLET

- Embrace ongoing experimentation with diverse decarbonisation solutions and approaches simultaneously.
- Balance groundbreaking ideas with proven, low-risk solutions.

## POWER OF PARTNERSHIPS

- Foster strong partnerships throughout the value chain and stakeholder ecosystem.
- Cultivate trust among stakeholders by emphasising governance and transparency.

## CONSISTENCY IS KEY

- Strive for consistent and tangible progress while achieving science-based targets.
- Exhibit adaptability and flexibility in navigating multiple pathways to reach ESG targets in a volatile, uncertain, complex, and ambiguous world.





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